REMARKS

This application has been reviewed in light of the Office Action dated March 8, 2007. Claims 2-27 and 29-33 are pending in this application. Claims 1 and 28 have been canceled, without prejudice or disclaimer of subject matter. Claims 2-27 and 29-33 have been amended to define more clearly what Applicants regard as their invention. Claims 2, 14, and 29-32 are independent. Favorable reconsideration is requested.

As an initial matter, the Office Action does not clearly acknowledge the claim for foreign priority, and clear acknowledgement of such is respectfully requested.

Applicants note with appreciation the indication that Claims 2-6, 14-17, 20-27, 29, and 30 would be allowable if rewritten so as not to depend from a rejected claim, and with no change in scope. Since Claims 2, 14, 29, and 30 have been so rewritten, they are now believed to be in condition for allowance.

Claim 33 was rejected under 35 U.S.C. § 101, as being directed to non-statutory subject matter. Claim 33 now recites a computer program stored on a computer-readable medium which, when executed, performs a method for compressing at least one image. Accordingly, withdrawal of the rejection of Claim 33 under Section 101 is respectfully requested.

Claims 1, 7-11, 13, and 31-33 were rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,898,323 to *Schwartz*. Claim 12 was rejected under 35 U.S.C. § 103(a) as being obvious from *Schwartz* in view of U.S. Patent No. 5,790,705

¹ It is noted that the Office Action Summary lists Claim 28 as being objected to; however, Applicants believe that this is a typographical error and that the Examiner meant to list Claim 30 as being objected to, instead of Claim 28. It is noted that a rejection of Claim 28 is made out at paragraph 20 of the Office Action, and,

to *Anderson*. Claims 18 and 19 were rejected under 35 U.S.C. § 103(a) as being obvious from *Schwartz* in view of *Taubman* (the publication entitled "High Performance Scalable Image Compression with EBCOT", Proceedings of the 1999 International Conference on Image Processing, Vol. 3, pp.344-348, 1999), and in further view of U.S. Patent Application Publication No. US 2004/0047511 to *Tzannes*. Claim 28 was rejected under 35 U.S.C. § 103(a) as being obvious from *Schwartz* in view of U.S. Patent No. 6,778, 709 to *Taubman* (hereinafter *Taubman* '709).

Cancellation of Claims 1 and 28 renders the rejections thereof moot.

Independent Claims 31 and 32 are apparatus and computer program product claims, respectively, which correspond to method Claim 2. Accordingly, Claims 31 and 32 are believed to be in condition for allowance for the reasons discussed above in connection with Claim 2.

The other claims in this application are each dependent from one or another of the independent claims discussed above and are therefore believed patentable for the same reasons.

In view of the foregoing amendments and remarks, Applicants respectfully request favorable reconsideration and early passage to issue of the present application.

moreover, paragraph 22 of the Office Action indicates Claim 30 (and not Claim 28) as being objected to.

Applicants' undersigned attorney may be reached in our New York office by telephone at (212) 218-2100. All correspondence should continue to be directed to our below listed address.

Respectfully submitted,

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